

IN THE CLAIMS:

A marked-up copy of the amended claims showing insertions and [deletions] is attached in Appendix C. A clean copy of all pending claims is attached in Appendix D.

Please cancel claims 2 & 3.

Please amend the following claims to read as indicated:

1. (Currently Amended) A first financial instrument representing an ownership interest in a first portfolio, the first portfolio comprising units of an integer number M different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M$, with the M different securities being a subset of the N different securities,

C² — wherein the weight of each security in the first portfolio is ^{1/2} substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio,

wherein the first financial instrument, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

wherein all of said M different securities in the first portfolio are traded on a first securities market, and none of the other $N-M$ different securities are traded on said first securities market.

6. (Currently Amended) A first financial instrument representing an ownership interest in a first portfolio, the first portfolio comprising units of an integer number M different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M$, with the M different securities being a subset of the N different securities,

C³ — wherein the weight of each security in the first portfolio is ^{// 2} substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio,

wherein the first financial instrument, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

wherein the M different securities in the first portfolio are all traded on the National Association of Securities Dealers Automated Quotations System (NASDAQ).

C⁴ 10. (Currently Amended) A plurality of first financial instruments $C_{1eq}, C_{2eq}, \dots, C_{Jeq}$, $J > 1$, each representing an ownership interest in a corresponding one of a first set of J

C4
portfolios $\{C_1, C_2, \dots, C_J\}$, each member of said first set of portfolios comprising units of a corresponding integer number M_j different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M_j$, with the M_j different securities being a subset of the N different securities for all j , wherein

— the weight of each security in any one C_j is substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of C_j within the second portfolio,

each of the first financial instruments, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

all of said M_j different securities in at least one of the J portfolios are traded on a first securities market, and none of the other $N - M_j$ different securities are traded on said first securities market.

15. (Currently Amended) A method of facilitating an exchange in ownership of a security, the method comprising:

a step of providing a first financial instrument representing an ownership interest in a first portfolio, the first portfolio comprising units of an integer number M different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M$, with the M different securities being a subset of the N different securities,

C5
— wherein the weight of each security in the first portfolio is ¹²substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio,

wherein the first financial instrument, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

wherein all of said M different securities in the first portfolio are traded on a first securities market, and none of the other $N - M$ different securities are traded on said first securities market;

a step of receiving a first offer to sell said first financial instrument;

a step of receiving a second offer to buy said first financial instrument; and

matching said first and second offers.

APPENDIX D

Pending Claims After Amendment Filed February 26, 2003

1. (Currently Amended) A first financial instrument representing an ownership interest in a first portfolio, the first portfolio comprising units of an integer number M different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M$, with the M different securities being a subset of the N different securities,

wherein the weight of each security in the first portfolio is substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio,

wherein the first financial instrument, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

wherein all of said M different securities in the first portfolio are traded on a first securities market, and none of the other $N-M$ different securities are traded on said first securities market.

2. (Canceled)

3. (Canceled)

4. (Previously Amended) The first financial instrument according to claim 1, wherein the first and second financial instruments are both traded on the same securities market.

5. (Previously Amended) The first financial instrument according to claim 4, wherein the first and second financial instruments are both traded on the American Stock Exchange (AMEX).

6. (Currently Amended) A first financial instrument representing an ownership interest in a first portfolio, the first portfolio comprising units of an integer number M different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M$, with the M different securities being a subset of the N different securities,

wherein the weight of each security in the first portfolio is substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio,

wherein the first financial instrument, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

wherein the M different securities in the first portfolio are all traded on the National Association of Securities Dealers Automated Quotations System (NASDAQ).

7. (Previously Amended) The first financial instrument according to claim 6, wherein the second portfolio comprises stocks belonging to the S&P 500 and the first portfolio comprises only all of the stocks in the Standard & Poor's 500 (S&P 500) that are traded on the NASDAQ.

8. (Previously Amended) The first financial instrument according to claim 1, wherein the M different securities in the first portfolio have the M lowest average trading volumes among the N different securities during a previous time period.

9. (Previously Amended) The first financial instrument according to claim 1, wherein the M different securities in the first portfolio have the M highest price fluctuations among the N different securities during a previous time period.

10. (Currently Amended) A plurality of first financial instruments $C_{1eq}, C_{2eq}, \dots, C_{Jeq}$, $J > 1$, each representing an ownership interest in a corresponding one of a first set of J portfolios $\{C_1, C_2, \dots, C_J\}$, each member of said first set of portfolios comprising units of a corresponding integer number M_j different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M_j$, with the M_j different securities being a subset of the N different securities for all j, wherein

the weight of each security in any one C_j is substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of C_j within the second portfolio,

each of the first financial instruments, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

all of said M_j different securities in at least one of the J portfolios are traded on a first securities market, and none of the other $N - M_j$ different securities are traded on said first securities market.

11. (Original) The plurality of first financial instruments according to claim 10, wherein the set of first portfolios have no securities in common.

12. (Original) The plurality of first financial instruments according to claim 11, wherein the set of first portfolios form a partition of the second portfolio such that all N securities in the second portfolio are distributed among the set of J first portfolios.

13. (Original) The plurality of first financial instruments according to claim 10, wherein at least two members of the set of first portfolios have securities in common.

14. (Original) The plurality of first financial instruments according to claim 13, wherein all N securities in the second portfolio are represented in at least one member of the set of first portfolios.

15. (Currently Amended) A method of facilitating an exchange in ownership of a security, the method comprising:

a step of providing a first financial instrument representing an ownership interest in a first portfolio, the first portfolio comprising units of an integer number M different securities selected from a second portfolio, the second portfolio comprising units of an integer number N different securities, $N > M$, with the M different securities being a subset of the N different securities,

wherein the weight of each security in the first portfolio is substantially similar to that security's corresponding weight in the second portfolio, divided by the combined weight of the first portfolio within the second portfolio,

wherein the first financial instrument, and a second financial instrument representing an ownership interest in the second portfolio, are traded on a securities market, and

wherein all of said M different securities in the first portfolio are traded on a first securities market, and none of the other N-M different securities are traded on said first securities market;
a step of receiving a first offer to sell said first financial instrument;
a step of receiving a second offer to buy said first financial instrument; and
matching said first and second offers.

16. (Previously Added) A first financial instrument representing an ownership interest in a first portfolio comprising an integer number M different stocks traded on the National Association of Securities Dealers Automated Quotations System (NASDAQ), wherein:

the M different stocks are included in an index based on market capitalization values of an integer number N different stocks, $N > M$, with the M different stocks being a subset of the N different stocks and at least some of the N different stocks being traded on an exchange other than the NASDAQ; and

the market capitalization weight of each of M different stocks in the first portfolio is substantially similar to that stock's corresponding market capitalization weight in the index, divided by the combined market capitalization weight of the first portfolio within the index.

17. (Previously Added) The first financial instrument according to claim 16, wherein the index is the Standard & Poor's 500 (S&P 500).

18. (Previously Added) The first financial instrument according to claim 16, wherein the index is the Standard & Poor's 100 (S&P 100).

19. (Previously Added) The first financial instrument according to claim 16, wherein at least some of the N different stocks are traded on the New York Stock Exchange.

20. (Previously Added) The first financial instrument according to claim 19, wherein N-M of the N different stocks are traded on the New York Stock Exchange.

21. (Previously Added) The first financial instrument according to claim 20, wherein the index is the Standard & Poor's 500 (S&P 500).

22. (Previously Added) The first financial instrument according to claim 20, wherein the index is the Standard & Poor's 100 (S&P 100).

23. (Previously Amended) A first financial instrument representing an ownership interest in a first portfolio comprising stocks in the National Association of Securities Dealers Automated Quotations System (NASDAQ)-only component of the Standard & Poor's 500 (S&P 500), wherein the market capitalization weight of each of the individual NASDAQ stocks in the first portfolio is substantially similar to that stock's corresponding market capitalization weight in the S&P 500, divided by the combined market capitalization weight of the first portfolio within the S&P 500.

24. (Previously Amended) A first financial instrument representing an ownership interest in a first portfolio comprising stocks in the National Association of Securities Dealers Automated Quotations System (NASDAQ)-only component of the Standard & Poor's 100 (S&P 100), wherein the market capitalization weight of each of the individual NASDAQ stocks in the first portfolio is substantially similar to that stock's corresponding market capitalization weight in the S&P 100, divided by the combined market capitalization weight of the first portfolio within the S&P 100.